

April 14, 1975

Select File for specific amendment, to wit, the striking of Section 4. Record your vote. We are still on Final Reading so all Senators are to be in their place so that they can vote. Record, Mr. Clerk.

CLERK: 16 ayes, 28 nays to return, Mr. President.

PRESIDENT: Motion fails. Please read the bill, Mr. Clerk.

CLERK: Engrossed legislative bill 473. Read.

(RECORDER TURNED OFF FOR FINAL READING)

PRESIDENT: Many groups have come and gone while we have been on Final Reading but in the South balcony, guests of Senator George, are 36 4-H Citizenship students from Washington County. In the North balcony, there are 4th Graders from Meadow Lane School here in Lincoln. They live in Senator Barnett's district and Senator Rasmussen has his daughter and some other winners of the speech contest here from North Loup Scotia and they will also entertain the Senator's wives at their luncheon this noon and one of Senator Maresh's constituents, my daughter, Margaret Betger is under the South balcony. So welcome to all of you to the Nebraska Legislature. We now move to Senator Wiltse's motion to reconsider action on LB 528.

CLERK: Mr. President, LB 528 was originally indefinitely postponed by the Legislature. Mr. Wiltse moved to reconsider our action. That motion is found on Page 1153.

PRESIDENT: The Chair recognizes Senator Wiltse.

SENATOR WILTSE: Mr. Chairman, members of the body, I was not present when this was voted on and...

PRESIDENT: Could we have a little order in the Chamber, please, while Senator Wiltse is addressing you on this matter.

SENATOR WILTSE: This bill was presented by the Banking, Commerce Committee with the majority in favor of the presentation. There was one absent, one voting against the bill. It is a bill which purpose is to raise the interest rates on borrowed money from insurance policies. It does not affect the present existing policies. The small policy holder is a slight borrower. He does not borrow to any extent on his policy and it is practically limited to those that have large policies. The majority of the large policies, themselves, being issued by the companies on the individual and, as a consequence, borrow the money from the reserve that is placed with the insurance company on the policy. It is actually considered as an investment for the insurance company and draws a 6% loan in case there is a loan taken from the policy. It is said that this money is the individual's money. In reality, it is his money. After he pays his 6%, actually, he is only... that is 4.9% goes to the insurance company. He is borrowing on the policy and the interest on the policy returns to the policy reserve. The main job of an insurance company is to